Distr.
GENERAL

IDB.12/5
28 March 1994

ORIGINAL: ENGLISH

United Nations Industrial Development Organization

Industrial Development Board

Twelfth session
Vienna, 9-13 May 1994
Item 9 of the provisional agenda

FUTURE POLICY FRAMEWORK OF UNIDO - ORGANIZATIONAL AND STAFF STRUCTURE

Policy framework of UNIDO - organizational and staff structure

Progress report by the Director-General

Summary

The paper presents to the Board a summary of the action taken subsequent to the fifth regular session of the General Conference to implement General Conference resolution GC.5/Res.18 on the future policy framework of UNIDO.

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Introduction

1. The present document is submitted to the Board in accordance with resolution GC.5/Res.18 adopted by the General Conference at its fifth regular session and, specifically, paragraph 5 in which the Director-General was requested to submit a progress report to the Board at its twelfth session on the implementation of that resolution. Updated information on the subject will be provided to the Board immediately before or during the twelfth session.

I. ACTION TAKEN AFTER THE FIFTH SESSION OF THE GENERAL CONFERENCE

2. As indicated in the proposals presented by the Director-General to the General Conference (document GC.5/23), the restructuring of UNIDO entailed three primary tasks: (a) a reassessment and redefinition of the key functions needed for a sharper focus of the Organization's services and substantive capabilities; (b) the build-up of an organizational structure reflecting both the substantive focus and the need for a lean, less hierarchical organization; and (c) an effective, quality-determined delivery of services in response to identified demand. Restructuring UNIDO to meet projected demand in an effective and efficient manner would thus not only include changes in the organizational structure, but would also entail the reform of administrative and management procedures. The present progress report addresses those two aspects of the restructuring of UNIDO.

A. Structural changes

3. In the two weeks immediately following the General Conference, the first changes in the organizational structure were announced by means

V.94 21195 7041E

Distr.: 30 March 1994

of Director-General's Bulletins UNIDO/DG/B.171 and UNIDO/DG/B/172 and Add.1). The first (UNIDO/DG/B.171) provided the overall organizational configuration based on the structure described in document GC.5/23 and announced the assignment of senior management and supervisory staff to those units. The bulletin also provided an organizational chart and a list of official designations of all units.

4. The second bulletin (UNIDO/DG/B.172 and Add.1) provided information on the staffing of the newly established units or those that had undergone extensive changes following the dissolution or merger of units established under the previous structure.

5. The new organizational and staff structure entered into effect on 1 January 1994. As stated in the bulletins, every attempt was made to take due account of the background, qualifications and aspirations of the staff members being redeployed. Furthermore, reassignments would be subject to review during the first half of 1994, thus providing for possible adjustments at a later juncture.

6. This fine-tuning process proved necessary almost immediately as the need for certain changes based on logistical and other requirements became apparent. Furthermore, a slight reconfiguration was also needed to provide critical mass in certain areas and ensure synergy by strengthening certain groupings that would otherwise be hampered by the need to maintain a high vacancy factor. These lacunae were corrected in a series of minor changes in early February and will continue to be the focus of attention over the months to come.

7. Whereas redeployment will be the primary instrument, it is patently obvious that a highly limited, selective recruitment process will have to be initiated in certain crucially important areas - thus heightening the Organization's expertise and assuring it of an inflow of innovative technological know-how. Steps were taken to initiate this process on a limited scale and in respect of key positions in late January 1994. A similar requirement also obtained with respect to field staff. Given the paucity of extrabudgetary funding for outposted staff, steps were taken to seek candidates from within the Organization who were both qualified and willing to assume field duties. The extent of both exercises can be judged from the vacancy announcements issued in the month of January.*

Administrative and management procedures

8. Staff is the main resource in any restructuring process. Furthermore, their redeployment and reassignment have to be supported by a series of cohesive administrative and managerial measures.

9. First and foremost among these administrative support measures was the preparation of the terms of reference for each organizational unit.** In drawing up those terms of reference, the units had to indicate not only their responsibilities and functions, but also their specific links with other units, thus identifying the channels of communication and the effective means of coordination. This latter aspect is of vital importance to reducing duplication and ensuring a smooth flow of work.

10. At the same time, units were also asked to prepare a programme of work for the current biennium on the basis of the resources allocated in the programme and budgets adopted at the fifth session of the General Conference (GC.5/14/Rev.1). In the course of preparing their programmes of work, units are required to indicate specific outputs that will be used as yardsticks against which to measure performance.

11. Closely associated with the definition of tasks and the determination of output is the elaboration of a process for the design and delivery of UNIDO services. At the outset of the year, work started on the development of such a process that would endeavour to eschew the shortcomings of the past and create a framework for a rational and efficient approach to the management of services. The principles to be adopted in this new service management process are those spelt out in the proposals presented to the fifth session of the General Conference (GC.5/23) where reference is made to the application of sound management procedures and operational systems.

12. Consequently, the new process will be viewed above all in the context of ensuring quality management, rationalizing and decentralizing decision-making, and improving coordination and teamwork. The new service management process addresses three basic issues: the need to respond to assessed demand with services that fully meet the established quality criteria; the need to couch the regular budget-funded and the operational activities of the Organization within a coherent framework - the UNIDO country support strategies; and the need to screen proposals and design, approve, deliver and evaluate the UNIDO services within that framework. In this context, it will also be required to reassess the authority, functions and procedures of the Programme and Project Review Committee, the terms of reference of which are in the process of being revised.

13. The new demands devolving upon the Organization require staff skills and competence that differ from those displayed by staff at present. Although, as already indicated in paragraph 7 above, selective recruitment might well be needed to maintain the level of technical expertise commensurate with a specialized agency, much can be done by providing appropriate training for current staff. Steps are currently being taken to identify staff training needs. Enabling staff to acquire the new skills they need will help to reduce resistance to change as well as heighten the efficiency and effectiveness of the Organization. Staff training programmes should thus become an amalgam of organizational requirements and staff aspirations, whereby common interests and self-interest are satisfied to the benefit of both parties: the Organization and the individual staff member. Clearly, a critical factor in this context will be the evolution of a new organizational culture where formal power is de-emphasized and accountability is enforced, while the team spirit prevails.

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* Reference copies of vacancy announcements number LVA-01/94 to LVA-07/94 will be available at the documents distribution desk during the twelfth session of the Board.

** Upon completion the terms of reference will be issued as a Director-General's Bulletin.

14. Essential to teamwork is a web of interrelationships supported by the effective and efficient flow of information within the Organization. Identical information systems cannot continue to be replicated throughout the Organization. Steps are already being taken to establish single-source systems that can be tapped by all Divisions, thus adding to cohesion and coherence by networking at all levels.

15. Equally essential to the development of teamwork are committees. Often seen as being conducive to bureaucracy or avoidance of responsibility, committees can, if effectively used, encourage synergy, avoid the emergence of hierarchical rigidity, expand the envelope of knowledge throughout the Organization, and provide guidance to decision makers. Committees in "neuralgic" areas are thus being established and solutions identified so that the Organization can adapt in line with the changes in the global industrial environment. In establishing those committees, particular care will be taken in drawing up the terms of reference. Not only will the purpose, responsibilities and functions of each committee be spelt out, but particular emphasis will be placed on accountability and follow-up, as well as on the form of membership and the proceedings to be followed.

16. All the above measures have been taken with a view to enhancing the substantive content of the Organization and ensuring that programming and implementation are more transparent, consistent and quality driven. In the ultimate analysis, the effective achievement of constitutional mandates and the optimal use of resources hinge on the Organization's ability to set its sights clearly on specific objectives and priorities. UNIDO can avoid gridlock by backing up those objectives with the appropriate structure and sound managerial practices. This has been recognized by Member States whose representatives at the fifth session of the General Conference committed themselves to renewing their political and financial support to the revitalized UNIDO. Without that support, the endeavours of the Organization will not have the impact that is sought.

II. ACTION REQUIRED OF THE BOARD

17. The Board may wish to take note of the steps taken since the fifth session of the General Conference to introduce the new organizational and staff structure, bearing in mind that the Organization is in the throes of an extended transition process.